

## HOUSE BILL NO. 435

INTRODUCED BY BRANAE, HINER, WANZENRIED, FACEY, CLARK, GRINDE, CALLAHAN,  
MATTHEWS, WINDHAM, WISEMAN, A. OLSON, WILLIAMS, B. OLSON, SMALL-EASTMAN, LINDEEN,  
GUTSCHE, COHENOUR, BIXBY, SESSO, GILLAN, DOWELL, RASER, LAZLOVICH, CAMPBELL,  
DICKENSON, SCHMIDT, COONEY, GALLUS, LENHART, KITZENBERG, MUSGROVE, HARRINGTON,  
COCCHIARELLA, BERGREN, HANSEN, HAMILTON, PARKER, BECKER, MOSS, MCALPIN, DRISCOLL,  
GOLIE, TROPILA, WINDY BOY, TOOLE, WHEAT, TESTER, ROUSH, SQUIRES, ELLINGSON, HENRY,  
MANGAN, NOONAN, WILSON, JOPEK, LARSON, HARRIS, FRANKLIN, WEINBERG, WARDEN, RYAN,  
EATON, ARNTZEN, GROESBECK, JACOBSON, VILLA, ROBERTS, LIND, BRUEGGEMAN, PEASE,  
FUREY, GALVIN-HALCRO, BUZZAS  
BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE GOVERNOR'S BEST-AND-BRIGHTEST  
POSTSECONDARY SCHOLARSHIP PROGRAM TO ENCOURAGE MONTANA'S MOST TALENTED HIGH  
SCHOOL GRADUATES OR MONTANA HIGH SCHOOL GRADUATES WITH FINANCIAL NEEDS TO  
ACQUIRE A POSTSECONDARY EDUCATION BY PROVIDING STUDENT SCHOLARSHIPS BASED ON  
MERIT OR FINANCIAL NEED TO STUDENTS ATTENDING IN-STATE POSTSECONDARY INSTITUTIONS  
AND CERTAIN OUT-OF-STATE PUBLIC COLLEGES OR UNIVERSITIES OR, WITH DONATIONS FROM  
PRIVATE SOURCES, TO STUDENTS ATTENDING MONTANA PRIVATE COLLEGES IF SO DESIGNATED BY  
THE DONOR; ESTABLISHING A GOVERNOR'S BEST-AND-BRIGHTEST SCHOLARSHIP ADVISORY  
COUNCIL APPOINTED BY THE GOVERNOR TO ASSIST THE BOARD OF REGENTS OF HIGHER  
EDUCATION IN AWARDING AND ADMINISTERING THE SCHOLARSHIP PROGRAM; PROVIDING ANNUAL  
SCHOLARSHIPS BASED ON VARIOUS CRITERIA; PROVIDING FOR REALLOCATION OF MONEY TO  
OTHER SCHOLARSHIPS IF A HIGH SCHOOL DOES NOT HAVE AN ELIGIBLE STUDENT OR IF A  
RECIPIENT BECOMES INELIGIBLE; PROVIDING THAT SCHOLARSHIP FUNDING IS A STATE OBLIGATION;  
ESTABLISHING STUDENT ELIGIBILITY CRITERIA; AUTHORIZING THE BOARD OF REGENTS TO ADOPT  
PROCEDURES TO IMPLEMENT THE MERIT-BASED AND FINANCIAL NEED-BASED SCHOLARSHIPS; AND  
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

WHEREAS, if Montana is to achieve success in attracting new businesses and in promoting a healthier

climate for economic growth to provide quality, high-paying jobs for Montana citizens, it is essential that Montana's most talented high school graduates become the "engines" that drive the state's future economic growth; and

WHEREAS, the purpose of establishing the Governor's ~~Best and Brightest~~ Postsecondary Scholarship Program is to provide Montana residents with greater access to Montana's postsecondary institutions AND MONTANA'S PRIVATE COLLEGES, through scholarship grants based on academic achievement and financial need, with a goal of alleviating student debt burdens, which will allow more Montanans to stay in the state upon graduation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 3 and 5 through 7] may be cited as the "Governor's ~~Best and Brightest~~ Postsecondary Scholarship Program".

NEW SECTION. **Section 2. Governor's best and brightest postsecondary scholarship program -- DUTIES OF COUNCIL -- duties of board.** (1) There is a governor's ~~best and brightest~~ postsecondary scholarship program administered by the board through the office of the commissioner of higher education with assistance from a three-member council created in [section 4].

~~(2) In consultation with the recommendations made by the council, the board shall pay for scholarships awarded to qualified recipients.~~

(2) THE COUNCIL SHALL REVIEW THE LISTS AND APPLICATIONS SUBMITTED IN ACCORDANCE WITH PROCEDURES ADOPTED BY THE BOARD PURSUANT TO [SECTION 5]. FROM THOSE LISTS AND APPLICATIONS, THE COUNCIL SHALL PREPARE AND SUBMIT A FINAL LIST OF QUALIFIED SCHOLARSHIP RECIPIENTS TO THE BOARD. FOLLOWING CONSULTATION WITH THE COUNCIL, THE BOARD SHALL PAY FOR SCHOLARSHIPS AWARDED TO QUALIFIED RECIPIENTS.

(3) The board may accept donations from public or private sources and shall distribute these funds to the scholarship program and in accordance with the criteria determined by the board in consultation with the council.

(4) FUNDS FROM PUBLIC SOURCES MAY NOT BE USED TO PAY FOR SCHOLARSHIPS TO STUDENTS ENROLLED IN MONTANA PRIVATE COLLEGES.

(5) FUNDS FROM PRIVATE SOURCES MUST BE DEPOSITED INTO AN ACCOUNT IN THE STATE SPECIAL REVENUE

FUND ESTABLISHED IN 17-2-102 TO BE USED BY THE BOARD TO PAY FOR SCHOLARSHIPS FOR STUDENTS ENROLLED IN POSTSECONDARY INSTITUTIONS OR, WHEN DESIGNATED BY THE DONOR, IN MONTANA PRIVATE COLLEGES.

**NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 3 and 5 through 7], the following definitions apply:

~~(1) "ACCREDITED" MEANS THAT A SCHOOL COMPLIES WITH THE STANDARDS FOR ACCREDITATION OF SCHOOLS ESTABLISHED A SCHOOL THAT IS ACCREDITED BY THE BOARD OF PUBLIC EDUCATION PURSUANT TO 20-7-102.~~

~~(1)(2) "At-large student" means a graduate of any Montana public high school who is awarded a merit scholarship based on high academic achievement as determined by the board in consultation with the council MONTANA RESIDENT WHO MEETS THE ADMISSION REQUIREMENTS ESTABLISHED BY BOARD POLICY OR BY THE ADMISSION OFFICER ADMISSIONS OFFICE OF A MONTANA PRIVATE COLLEGE.~~

~~(2)(3) "Board" means the board of regents of higher education created by Article X, section 9(2), of the Montana constitution.~~

~~(3)(4) "Certificate program" or "certificate" means a program generally completed in 1 academic year that requires less than 60 credits and that is not a self-supporting, customized training course or the certificate awarded for completion of the program.~~

~~(4)(5) "Council" means the governor's best and brightest postsecondary scholarship advisory council created in [section 4].~~

~~(6) "MONTANA PRIVATE COLLEGE" MEANS A NONPROFIT PRIVATE EDUCATIONAL INSTITUTION AS DEFINED IN 15-30-163(3)(B).~~

~~(7) "NONTRADITIONAL STUDENT" MEANS A FIRST-TIME STUDENT WHO ENTERS A POSTSECONDARY INSTITUTION OR MONTANA PRIVATE COLLEGE MORE THAN 3 YEARS AFTER HIGH SCHOOL GRADUATION. AS USED IN THIS SUBSECTION, "FIRST-TIME STUDENT" MEANS A STUDENT WHO IS ATTENDING A POSTSECONDARY INSTITUTION TO RECEIVE A FIRST CERTIFICATE OR ASSOCIATE OR BACCALAUREATE DEGREE.~~

~~(5)(8) "Postsecondary institution" means:~~

~~(a) a unit of the Montana university system, as defined in 20-25-201;~~

~~(b) a Montana community college, defined and organized as provided in 20-15-101; or~~

~~(c) an accredited tribal community college located in the state of Montana.~~

~~(6)(9) "Scholarship" means a payment toward tuition and mandatory fees, excluding room and board, rounded up to the nearest dollar.~~

1       ~~(7)~~(10) "Title IV" refers to Title IV of the Higher Education Act of 1965, as amended.

2  
3       **NEW SECTION. Section 4. Governor's best and brightest postsecondary scholarship advisory**  
4 **council -- terms.** (1) There is a three-member governor's ~~best and brightest~~ postsecondary scholarship  
5 advisory council appointed by the governor.

6       (2) Members shall serve staggered 3-year terms and must include:

7       (a) at least one member with experience in financial aid at a postsecondary institution; and

8       (b) at least one member with experience in secondary or postsecondary education.

9       (3) A presiding officer must be selected by the council from among its membership at the first meeting  
10 of the council.

11       (4) The council shall:

12       (a) advise the board on issues related to the governor's ~~best and brightest~~ postsecondary scholarship  
13 program and other student assistance programs; and

14       (b) report to the governor annually or at any time upon request by the governor.

15       (5) The council is attached to the commissioner of higher education for administrative purposes only,  
16 as provided in 2-15-121, and members are entitled to compensation as provided in 2-15-122(5).

17  
18       **NEW SECTION. Section 5. Administration of scholarship program.** (1) The commissioner of higher  
19 education, under the authority of the board and in consultation with the council, shall administer the governor's  
20 ~~best and brightest~~ postsecondary scholarship program.

21       (2) The board shall adopt procedures to implement the requirements of [sections 1 through 3 and 5  
22 through 7], including but not limited to:

23       (a) procedures for obtaining lists from Montana ~~public~~ ACCREDITED high schools, INCLUDING ACCREDITED  
24 NONPUBLIC HIGH SCHOOLS, of those high school seniors who are eligible to receive a governor's ~~best and brightest~~  
25 postsecondary scholarship;

26       **(B) WHEN POSSIBLE, PROCEDURES FOR OBTAINING LISTS OF NONTRADITIONAL STUDENTS OR RECIPIENTS OF**  
27 **GENERAL EDUCATIONAL DEVELOPMENT EQUIVALENCY DIPLOMAS IN THE CURRENT YEAR;**

28       **(C) PROCEDURES FOR AN APPLICATION PROCESS AND, UPON RECOMMENDATION OF THE COUNCIL, ELIGIBILITY**  
29 **CRITERIA FOR AT-LARGE STUDENTS, AT LEAST PART OF WHICH MUST INCLUDE A GRADE POINT AVERAGE OR A**  
30 **STANDARDIZED COLLEGE ADMISSION TEST;**

1 ~~(b)(D)~~ procedures regarding the application process for eligible students to obtain a scholarship and  
2 regarding notification to students, parents, teachers, and school administrators of all criteria, procedures, and  
3 timelines for applying for the scholarships;

4 ~~(e)(E)~~ procedures for entering into cooperative agreements with Montana tribal community colleges;  
5 ~~(d)(F)~~ procedures for the annual disbursement of money to postsecondary institutions AND MONTANA  
6 PRIVATE COLLEGES to pay for scholarships awarded to eligible students;

7 (3) The board shall develop procedures:

8 (a) to transmit the payment for each scholarship to the financial officer of the postsecondary institution  
9 OR THE MONTANA PRIVATE COLLEGE;

10 (b) to be used by the postsecondary institution OR THE MONTANA PRIVATE COLLEGE in certifying the  
11 eligibility status of each student who receives a scholarship.

12 (4) Each postsecondary institution OR MONTANA PRIVATE COLLEGE that receives scholarship payments  
13 shall prepare and submit to the board, by a date established by the board, a report that includes an audit of the  
14 postsecondary institution's OR MONTANA PRIVATE COLLEGE'S administration of the scholarships and a complete  
15 accounting of scholarship funds.

16 (5) The board shall establish procedures:

17 (A) to allow a student to transfer from one postsecondary institution to another ~~OR FROM A MONTANA~~  
18 ~~PRIVATE COLLEGE TO A POSTSECONDARY INSTITUTION~~ without loss of the scholarship; AND

19 (B) TO ENSURE COMPLIANCE WITH [SECTION 2(4)] IF A STUDENT TRANSFERS FROM A POSTSECONDARY  
20 INSTITUTION TO A MONTANA PRIVATE COLLEGE.

21 (6) Funds from a scholarship may not be used to pay for remedial or college-preparatory course work.

23 NEW SECTION. Section 6. Types and amounts of scholarships -- recipient qualifications. (1)  
24 Following consultation with the council and selection of eligible recipients, the board shall pay the costs of a  
25 governor's ~~best and brightest~~ postsecondary scholarship at a postsecondary institution OR, SUBJECT TO THE  
26 PROVISIONS OF [SECTION 2(4)], AT A MONTANA PRIVATE COLLEGE in which a recipient has enrolled.

27 (2) Subject to the provisions of ~~subsection (6)~~ SUBSECTIONS (6) AND (7) AND THE AVAILABILITY OF FUNDS  
28 FROM PRIVATE SOURCES, (7), AND (9), scholarships must be provided IN EACH FISCAL YEAR to eligible recipients as  
29 follows:

30 (a) merit-based scholarships of \$2,000 a year awarded to 40 at-large students who enroll in 4-year

1 postsecondary institutions ~~OR MONTANA PRIVATE COLLEGES~~;

2 (b) a merit-based scholarship of \$1,000 a year, WHICH MAY BE awarded to one graduate of each of  
3 Montana's ~~180 public~~ ACCREDITED high schools, INCLUDING ACCREDITED NONPUBLIC HIGH SCHOOLS, who enrolls in  
4 a 4-year postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE~~;

5 (C) A MERIT-BASED SCHOLARSHIP OF \$1,000 A YEAR, WHICH MAY BE AWARDED TO ONE GRADUATE OF EACH OF  
6 MONTANA'S ACCREDITED HIGH SCHOOLS, INCLUDING ACCREDITED NONPUBLIC HIGH SCHOOLS, WHO ENROLLS IN A 2-YEAR  
7 POSTSECONDARY INSTITUTION;

8 ~~(e)(D)~~ merit-based scholarships of \$1,000 a year awarded to ~~250~~ 70 at-large students who enroll in  
9 2-year postsecondary programs;

10 ~~(d)(E)~~ a scholarship of \$1,000 a year based on recognition of financial need awarded to ~~one graduate~~  
11 ~~of each of Montana's 180 public high schools who enrolls~~ 180 STUDENTS, INCLUDING STUDENTS WHO RETURN TO  
12 SCHOOL AS NONTRADITIONAL STUDENTS, WHO ENROLL in a 2-year postsecondary program;

13 ~~(e)(F)~~ scholarships of \$1,000 a year based on recognition of financial need awarded to 100 ~~Montana~~  
14 ~~high school graduates~~ STUDENTS, INCLUDING STUDENTS WHO RETURN TO SCHOOL AS NONTRADITIONAL STUDENTS, who  
15 enroll in 2-year postsecondary programs and who major in the area of health sciences; and

16 ~~(f)(G)~~ scholarships of \$1,000 a year based on financial need awarded to 220 ~~Montana high school~~  
17 ~~graduates~~ STUDENTS, INCLUDING STUDENTS WHO RETURN TO SCHOOL AS NONTRADITIONAL STUDENTS, who enroll in  
18 2-year postsecondary programs and who are seeking a certificate or degree in the field of technology.

19 (3) (a) A recipient who is awarded a scholarship to attend a 2-year postsecondary program is eligible  
20 to receive the scholarship for a maximum of 2 consecutive years, provided the recipient meets the requirements  
21 provided in [section 7].

22 (b) A recipient who is awarded a scholarship to attend a 4-year postsecondary institution OR, SUBJECT  
23 TO THE AVAILABILITY OF PRIVATE FUNDS, TO A MONTANA PRIVATE COLLEGE is eligible to receive the scholarship for  
24 a maximum of 4 consecutive years, provided the recipient meets the requirements provided in [section 7].

25 (4) The recipient of a scholarship award is not precluded from receiving other financial aid, awards, or  
26 scholarships that would result in an overpayment of financial aid as determined by the postsecondary institution's  
27 OR MONTANA PRIVATE COLLEGE'S financial aid office.

28 (5) Each scholarship must be distributed in equal installments that correspond with the terms of the  
29 postsecondary institution's OR THE MONTANA PRIVATE COLLEGE'S academic year.

30 (6) If a Montana high school has no graduates who qualify for a scholarship awarded under subsection

(2)(b) or ~~(2)(d)~~ (2)(c) OR IF A RECIPIENT OF A SCHOLARSHIP BECOMES INELIGIBLE FOR RENEWAL OF A SCHOLARSHIP, the money for those scholarships reverts and may be reallocated by the commissioner of higher education to scholarships for at-large students.

(7) EXCEPT WHEN A DONOR OF PRIVATE FUNDS DESIGNATES THAT SCHOLARSHIP FUNDS MUST BE GIVEN TO STUDENTS ATTENDING A MONTANA PRIVATE COLLEGE, THE BOARD, FOLLOWING CONSULTATION WITH THE COUNCIL, SHALL ESTABLISH CRITERIA AND PROCEDURES FOR DISTRIBUTING FUNDS FROM PRIVATE SOURCES FOR SCHOLARSHIPS TO STUDENTS ENROLLED IN POSTSECONDARY INSTITUTIONS. FUNDS FROM PRIVATE SOURCES MAY NOT BE USED AS AN OFFSET TO GENERAL FUND APPROPRIATIONS.

(8) EXCEPT WHEN A DONOR OF PRIVATE FUNDS DESIGNATES THAT SCHOLARSHIP FUNDS MUST BE GIVEN TO STUDENTS ATTENDING A MONTANA PRIVATE COLLEGE, SCHOLARSHIP AWARDS ARE DETERMINED SOLELY BY THE BOARD FOLLOWING CONSULTATION WITH THE COUNCIL. SCHOLARSHIP AWARDS ARE NOT SUBJECT TO APPEAL.

~~(7)(9)~~ EXCEPT FOR FUNDS DONATED FROM PRIVATE SOURCES, THE OBLIGATION FOR FUNDING THE GOVERNOR'S BEST AND BRIGHTEST POSTSECONDARY SCHOLARSHIP PROGRAM IS AN OBLIGATION OF THE STATE. THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE THE BOARD TO PROVIDE A SCHOLARSHIP TO AN ELIGIBLE STUDENT WITHOUT A LINE ITEM APPROPRIATION TO THE BOARD.

NEW SECTION. Section 7. Eligibility requirements -- basic residency requirements. (1) To be eligible to receive a scholarship, an entering freshman student seeking a certificate or an associate or baccalaureate degree at a postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE:~~

(a) must be classified as a Montana resident for in-state tuition under the board's policy ~~at the time of high school graduation~~; and

(b) for purposes of a scholarship based on financial need, must have met the admission requirements established by board policy, demonstrated financial need by completing the free application for federal student aid, and be enrolled in a 2-year postsecondary program; or

(c) for purposes of a merit-based scholarship, must meet the admission requirements established by board policy ~~OR AND THOSE ELIGIBILITY CRITERIA ESTABLISHED BY THE BOARD, UPON RECOMMENDATION BY THE COUNCIL PURSUANT TO [SECTION 5(2)(C)], must have earned a high school diploma with a minimum of a 2.5 cumulative grade point average computed on a 4.0 scale,~~ AT LEAST PART OF WHICH MUST INCLUDE A GRADE POINT AVERAGE OR A NUMERICAL SCORE ON A STANDARDIZED COLLEGE ADMISSION TEST, must be admitted, enrolled, or classified as an undergraduate student in a certificate program or an associate or baccalaureate degree program at a

postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE~~, and must have completed the free application for federal student aid, which may not result in expected family contributions exceeding the cost of attendance;

(2) TO BE ELIGIBLE TO RECEIVE A SCHOLARSHIP, AN ENTERING FRESHMAN STUDENT SEEKING A CERTIFICATE OR AN ASSOCIATE OR BACCALAUREATE DEGREE AT A MONTANA PRIVATE COLLEGE:

(A) MUST BE CLASSIFIED AS A MONTANA RESIDENT FOR IN-STATE TUITION UNDER THE BOARD'S POLICY; AND

(B) MUST MEET THE ADMISSION REQUIREMENTS AND ELIGIBILITY CRITERIA ESTABLISHED BY THE ADMISSIONS OFFICE OF THE MONTANA PRIVATE COLLEGE.

~~(2)~~(3) To be eligible to receive a scholarship, a sophomore student seeking a certificate or an associate or baccalaureate degree at a 2-year or 4-year postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE~~ must meet the residency requirement provided in subsection (1)(a) ~~OR (2)(A)~~ and, ~~EXCEPT FOR EXTENUATING CIRCUMSTANCES AS DETERMINED THROUGH PROCEDURES ESTABLISHED BY THE BOARD:~~

(a) (i) for a student who is receiving a scholarship based on financial need and who is attending a 2-year postsecondary program, must have completed all first year requirements for an associate degree, including satisfactory academic progress; or

(ii) for a student who is receiving a MERIT-BASED scholarship ~~based on financial need~~ and who is attending a 4-year postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE~~, must have completed a minimum of 30 semester hours at the postsecondary institution ~~OR MONTANA PRIVATE COLLEGE~~;

(b) must have earned a cumulative grade point average of 2.5 at the end of the school term in which the student completed 30 semester hours; and

(c) must meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status.

~~(3)~~(4) ~~To~~ EXCEPT AS PROVIDED IN SUBSECTION (5) (6), TO be eligible to receive a scholarship, a junior student seeking a baccalaureate degree at a postsecondary institution ~~OR A MONTANA PRIVATE COLLEGE~~ must meet the residency requirement provided in subsection (1)(a) ~~OR (2)(A)~~ and, ~~EXCEPT FOR EXTENUATING CIRCUMSTANCES AS DETERMINED THROUGH PROCEDURES ESTABLISHED BY THE BOARD:~~

(a) must have completed a minimum of 60 semester hours;

(b) must have earned a cumulative grade point average of 2.5 at the end of the school term in which the student completed 60 semester hours; and

(c) must meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status.



~~(4)(5)~~ ~~TO EXCEPT AS PROVIDED IN SUBSECTION (5) (6), TO~~ be eligible to receive a scholarship, a senior student seeking a baccalaureate degree at a postsecondary institution OR A MONTANA PRIVATE COLLEGE must meet the residency requirement provided in subsection (1)(a) OR (2)(A) and, EXCEPT FOR EXTENUATING CIRCUMSTANCES AS DETERMINED THROUGH PROCEDURES ESTABLISHED BY THE BOARD:

(a) must have completed a minimum of 90 semester hours;

(b) must have earned a cumulative grade point average of 2.5 at the end of the school term in which the student completed a minimum of 90 semester hours; and

(c) must meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status.

~~(5)(6)~~ A STUDENT WHO RECEIVES A 4-YEAR SCHOLARSHIP TO ATTEND AN IN-STATE POSTSECONDARY INSTITUTION AS A FRESHMAN AND SOPHOMORE MAY TRANSFER THE SCHOLARSHIP TO ATTEND A PUBLIC OUT-OF-STATE COLLEGE OR UNIVERSITY AS A JUNIOR OR SENIOR IF THE TRANSFER TO THE PUBLIC OUT-OF-STATE COLLEGE OR UNIVERSITY IS NECESSARY TO COMPLETE THE FINAL 2 YEARS OF A 4-YEAR DEGREE PROGRAM.

~~(5)(6)(7)~~ (a) If an at-large student fails to maintain a cumulative grade point average of at least 2.5 at the end of the school term in which the student completed the required semester hours, the scholarship is terminated.

(b) A student may appeal a termination based on extenuating circumstances AS DETERMINED THROUGH PROCEDURES ESTABLISHED BY THE BOARD.

~~(6)(7)(8)~~ A student is ineligible to receive a governor's ~~best and brightest~~ postsecondary scholarship if the student:

(a) has been awarded a Montana university system honor scholarship;

(b) is a male and has failed to meet the federal Title IV selective services registration requirements;

(c) is in default on a Title IV or state of Montana educational loan or owes a refund to a federal Title IV or state of Montana student financial aid program; or

(d) is incarcerated. Upon release, the student may begin receiving scholarship payments if the student meets all other eligibility requirements. If approved by the board, credits earned during incarceration may be counted toward eligibility.

NEW SECTION. **Section 8. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell

band of Chippewa.

**NEW SECTION. SECTION 9. IMPLEMENTATION.** (1) THE PROVISIONS OF [THIS ACT] MAY NOT BE IMPLEMENTED WITHOUT A LINE ITEM APPROPRIATION PROVIDED FOR THE PURPOSES OF [THIS ACT].

(2) IF THE APPROPRIATION PROVIDED PURSUANT TO SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND THE SCHOLARSHIP PROGRAM PROVIDED FOR IN [THIS ACT], AFTER MEETING THE OBLIGATION TO PROVIDE CONTINUING SCHOLARSHIPS FOR RETURNING SOPHOMORE, JUNIOR, AND SENIOR STUDENTS, THE BOARD SHALL REDUCE THE NUMBER OF SCHOLARSHIPS AWARDED IN EACH CATEGORY UNDER [SECTION 6(2)] IN PROPORTION TO THE AMOUNT OF MONEY APPROPRIATED AND NOTIFY THE OFFICE OF BUDGET PROGRAM AND PLANNING OF THE REDUCTION. FOLLOWING CONSULTATION WITH THE COUNCIL, THE BOARD SHALL ADOPT PROCEDURES TO IMPLEMENT THIS SECTION.

**NEW SECTION. Section 10. Codification instruction.** (1) [Sections 1 through 3 and 5 through 7] are intended to be codified as an integral part of Title 20, chapter 26, and the provisions of Title 20, chapter 26, apply to [sections 1 through 3 and 5 through 7].

(2) [Section 4] is intended to be codified as an integral part of Title 2, chapter 15, part 15, and the provisions of Title 2, chapter 15, part 15, apply to [section 4].

**NEW SECTION. Section 11. Effective date -- applicability.** [This act] is effective on passage and approval and applies to the 2006 academic year.

- END -